

Metal Machinist (First Class)		South Australia
ASCO Code: 4112-13	July 2007	
Labour market rating	Shortage	
Comment		

Occupational demand

Most metal machinists are employed in the manufacturing industry. In the three years to May 2007, around 8000 jobs have been lost in the industry, representing an eight per cent reduction in the size of the workforce. A number of factors have contributed to this trend, including increased competition from cheaper replacement items manufactured overseas, the loss of existing contracts to off-shore companies, and the persistently high Australian dollar. This has had an impact on the automotive component manufacturing sector, with significant numbers of retrenchments occurring in the past two years. More recently, higher fuel costs have dampened demand for larger sized passenger vehicles resulting in lower sales and production of locally built cars.

In spite of these trends, DEEWR's Skilled Vacancies Index data show a substantial increase in newspaper vacancies for metal machinists in 2006-07 and employment of metal fitters and machinists increased by five per cent in the year to May 2007 (in four quarter average terms). Additionally, the Engineering Employers Association of South Australia's recorded a slight improvement in activity levels among its members in recent months.

Occupational supply

Detailed training statistics for metal machinists are not available. However, the number of persons completing a four-year apprenticeship in the broader category of mechanical engineering peaked in 2002, at 180. Completions subsequently declined to 110 in 2004, the lowest level in seven years. Since then, the number of completions increased to 120 in 2005 and 175 in 2006. Over the past seven years there has been a steady increase in the number of trainee commencements from a low of 178 in 1999 to 378 in 2006, the highest in at least 12 years. As a consequence of this upward trend in training commencements, the number of completions is anticipated to increase over the next few years. Net migration represents an additional source of supply to the workforce that supplements formal training. Though relatively small in size, over the past few years there has been a steady increase in the net migration of metal fitters and machinists to South Australia.

Employer and industry comments/current labour market

A survey of employers who recently advertised for metal machinists was conducted for this report. Results from the survey indicate that most employers are experiencing recruitment difficulties. Approximately 42 per cent of positions for metal machinists were filled within four weeks, compared with a filled rate of 55 per cent in 2006 and 63 per cent in 2005. Each vacancy attracted an average of 6.8 applicants compared to 11.5 applicants in 2006. The number of applicants considered suitable for employment was low, at 1.3 per vacancy compared to 1.4 in 2006. In some instances, vacancies attracted a large number of overseas applicants due to advertising on the internet. However, these applicants were deemed to be unsuitable due to lack of relevant skills, work experience and trade qualifications. Additionally, employers seemed reluctant to sponsor overseas skilled migrants. Most employers were seeking specific experience in operating their particular machines or familiarity with Numerical Control or Computer Numerical Control programming and machine operation.

Labour market outlook

It appears that demand for metal machinists is rising and some of this increase is in response to growth in defence-related manufacturing and mining. Demand is likely to increase further in the future due to the anticipated commencement of large projects including the possible expansion of the Olympic Dam mine and the construction of three Air Warfare Destroyers for the Royal Australian Navy. As a consequence, current shortages are likely to continue.